

# EXHIBIT A

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

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In re:

BERNARD L. MADOFF,

Debtor.

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IRVING H. PICARD, Trustee for the Liquidation of  
Bernard L. Madoff Investment Securities LLC,

Plaintiff.

v.

SAGE ASSOCIATES, *et al.*  
SAGE REALTY, *et al.*

Defendants.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-04362 (SMB)

Adv. Pro. No. 10-04400 (SMB)

**EXPERT REPORT OF BRUCE G. DUBINSKY**  
**MST, CPA, CFE, CVA, CFF, CAMS, MAFF**  
**FOR THE SAGE ASSOCIATES AND SAGE REALTY ACTIONS**

**C. Purported Prices of Securities on the Customer Statements for the Sage Accounts Did Not Reflect Actual Market Prices**

37. The transaction prices for the purported executed trades as stated on the Customer Statements for the Sage Accounts were tested against the historical market prices to determine if the purported transactions fell within the actual daily market trading range.<sup>27</sup> (See **Exhibit 2** – “Equity Price Analysis for the Sage Accounts.”)
38. From November 1978 to November 2008, 5,707 unique transaction prices were tested. Of the 5,707 unique transaction prices, 35 unique transactions were outside the actual daily market trading price range. Identifying trades in the Sage Accounts that were purportedly transacted outside of the actual daily market trading price range is consistent with the hundreds of other fictitious IA Business transactions that were also purportedly traded outside of the market trading price range.
39. For example, the Customer Statement for Sage Realty account 1S0006-1-0 indicates that 33,050 shares of Sara Lee Corp were traded on 11/24/1992 at a price ranging from \$30.50 to \$30.63 per share, as shown in Figure 18 below.<sup>28</sup> However, the actual daily market trading price range for this security on 11/24/1992 was \$60.13 to \$61.00. This transaction could not have been legitimately completed, as reflected on the Customer Statement, given that shares of Sara Lee Corp did not trade between \$30.50 to \$30.63 on the purported transaction date.

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<sup>27</sup> Historical market trading prices based on CRSP data.

<sup>28</sup> MF00445642.

**Figure 18**  
**CUSTOMER STATEMENT FOR SAGE REALTY ACCOUNT**

12/31/92 SAGE REALTY  
C/O LILLIAN SAGE  
200 CENTRAL PARK SOUTH  
NEW YORK NY 10019

1-S0006-1-0

1

13-3311554

T/DT	S/DT	LONG	SHORT	DEBIT	CREDIT
BALANCE FORWARD					.96
11/24	12/30	1900 30426 SARA LEE CORP	30 5/8		58,187.50
11/24	12/30	31150 30427 SARA LEE CORP	30 1/2		950,075.00
12/30	12/30	16525 SARA LEE CORP	REC'D		
2 FOR 1 STOCK SPLIT 12/30/92					
12/30	12/31	1000000 U S TREASURY BILL	99.890	998,900.00	
DUE 1/14/93					
12/31	12/31	9363 13332 FIDELITY CASH RESERVES SBI	1	9,363.00	
NEW BALANCE					.46
SECURITY POSITIONS					
		LONG	SHORT	DIFFERENCE	
FIDELITY CASH RESERVES SBI		9398	9,398.00	9,398.00	
U S TREASURY BILL		1000000	998,900.00	998,900.00	
DUE 1/14/93					
END OF POSITIONS				1,008,298.00	.46CR

Trade Date:  
11/24/1992

Price: \$30.50 - \$30.63

**D. The Aggregate Purported Trading Volume Across All IA Business Accounts for Certain of the Securities Reported on the Customer Statements for the Sage Accounts Exceeded the Entire Reported Market Volume**

40. I reviewed the aggregate volume (*i.e.*, the volume purportedly traded across all IA Business customer accounts) for each purported security transaction reported on the Customer Statements for the Sage Accounts. Based on this analysis, I determined that the aggregate IA Business volume for certain securities purportedly traded for the Sage Accounts exceeded the daily market volume on the specific days these trades purportedly occurred. As discussed above, purported trades in the Sage Accounts (in aggregate volume with other IA Business accounts) exceeded the actual daily market trading volume range, which is consistent with the hundreds of other fictitious IA Business transactions that exceeded the market trading volume.
41. From November 1978 to November 2008, the purported aggregate trading volume for 70 security transactions reported in the Sage Accounts exceeded the entire daily market volume for the particular security. (*See Exhibit 3* – “Equity Volume Analysis for the Sage Accounts.”) This is impossible in the securities market. For example, the Customer Statement for Martin Sage account 101914-1-0 indicates that 2,454 shares of American Gen

Equity Price Analysis for the Sage Accounts  
November 1978 to November 2008

Trade Date	Security Name	IA Business Purported Price	Market Daily Low	Market Daily High	Above/Below	Magnitude
11/24/1992	SARA LEE CORP	30.500	60.125	61.000	Below	29.63
11/24/1992	SARA LEE CORP	30.625	60.125	61.000	Below	29.50
5/13/1996	COCA COLA CO	40.500	41.750	43.000	Below	1.25
5/13/1996	COCA COLA CO	40.625	41.750	43.000	Below	1.13
7/16/1996	CHRYSLER CORP	34.375	26.250	28.500	Above	5.88
7/16/1996	CHRYSLER CORP	34.500	26.250	28.500	Above	6.00
9/13/1996	ANHEUSER BUSCH COS INC	38.125	39.000	40.000	Below	0.88
9/13/1996	ANHEUSER BUSCH COS INC	38.250	39.000	40.000	Below	0.75
1/2/1997	NCR CORP	36.750	32.750	34.125	Above	2.63
3/3/1997	BRISTOL MYERS SQUIBB COMPANY	63.500	63.875	67.875	Below	0.38
3/3/1997	BRISTOL MYERS SQUIBB COMPANY	63.625	63.875	67.875	Below	0.25
6/13/1997	DU PONT E I DE NEMOURS & CO	55.125	58.250	62.375	Below	3.13
6/13/1997	DU PONT E I DE NEMOURS & CO	55.250	58.250	62.375	Below	3.00
10/17/1997	AMOCO CORP	95.250	93.438	94.875	Above	0.38
11/10/1997	INTEL CORP	73.000	74.891	78.250	Below	1.89
11/10/1997	INTEL CORP	73.500	74.891	78.250	Below	1.39
11/10/1997	INTEL CORP	74.000	74.891	78.250	Below	0.89
3/5/1999	BRISTOL MYERS SQUIBB COMPANY	63.750	64.500	66.500	Below	0.75
11/19/2001	KLA TENCOR CORPORATION	39.050	47.980	50.210	Below	8.93
10/9/2003	AMERICAN EXPRESS COMPANY	46.410	46.610	47.500	Below	0.20
10/9/2003	AMGEN INC	65.070	65.850	66.950	Below	0.78
10/9/2003	HEWLETT PACKARD CO	20.210	20.520	21.510	Below	0.31
10/9/2003	HOME DEPOT INC	34.300	34.670	35.490	Below	0.37
10/9/2003	MERRILL LYNCH & CO INC	56.810	56.920	57.950	Below	0.11
10/9/2003	MICROSOFT CORP	28.750	28.800	29.350	Below	0.05
10/9/2003	PFIZER INC	30.590	30.710	31.020	Below	0.12
10/9/2003	WAL-MART STORES INC	58.390	58.520	59.410	Below	0.13
9/12/2006	BOEING CO	76.300	73.610	74.380	Above	1.92
11/7/2008	AMGEN INC	59.160	56.400	58.880	Above	0.28
11/7/2008	GENERAL ELECTRIC CO	19.630	18.280	19.100	Above	0.53
11/7/2008	INTERNATIONAL BUSINESS MACHS	87.270	84.250	86.710	Above	0.56
11/7/2008	MICROSOFT CORP	21.810	21.000	21.540	Above	0.27
11/7/2008	PEPSICO INC	56.410	54.240	56.170	Above	0.24
11/7/2008	UNITED TECHNOLOGIES CORP	53.160	50.150	51.960	Above	1.20
11/7/2008	WAL-MART STORES INC	55.830	53.400	54.700	Above	1.13